

**FROM: Phoebe Rolen and Ann Sielaty, Agency Program Coordinators for the
Purchase Card Program**

TO: DESC Cardholders and Billing Officials

The following directive and instruction guide is provided as a supplement to DESC's current purchase card Training Guide. Page four of the Training Guide discusses the priority of sources for making purchases under the purchase card program and page nine addresses the requirement for rotation of sources. The enclosed is a purchase card directive regarding rotation of sources when purchasing supplies/services under this program. In addition to the directive which is effective immediately, an instruction guide is provided along with copies of information obtained through the internet from those vendors who are authorized by NIB/NISH to provide JWOD office supply items.

If you have any questions please feel free to contact us.

DESC Purchase Card Directive: Effective Immediately

Date: July 1999

Subject: Rotation of Sources for IMPAC Card Purchases

As a result of recent IMPAC Card reviews, I asked our Procurement Oversight Office to conduct market research in order to identify additional sources for office supplies other than Office Depot. Specifically, to many cardholders, Office Depot was the only known source that has on-line ordering and quick delivery. As such, numerous IMPAC cardholders were not rotating sources as required by regulation. Rather, orders were being placed exclusively with Office Depot without file documentation as to why no other sources were being solicited.

After extensive market research, DESC's Procurement Oversight Division has determined that 5 other office supply firms, in addition to Office Depot, offer both on-line ordering and "quick ship" delivery. All vendors surveyed also have NIB/NISH items available. Based on these results, rotation of sources when making open market purchases for office supplies with the IMPAC card must be accomplished on a rotation basis. DESC does not have a valid justification for sole sourcing all of its open market office supply requirements to Office Depot.

Additionally, we benchmarked three other IMPAC Card programs: MDW (Fort Belvoir), DASC, and DLA/DLSC. All three organizations require rotation of sources for all open market purchases, to include those for office supplies.

As a result of this research, my recommendation as DESC's Center Senior Procurement Official (CSPO) to the Competition Advocate, CAPT Proctor, is that all IMPAC Card purchases for open market office supplies be rotated among the 5 firms that currently offer on-line ordering and quick ship delivery. CAPT Proctor concurred and requested that rotation of sources be implemented immediately. As Competition Advocate, he also asked that we hold another training session as well as conduct future audits to ensure compliance.

Phoebe Rolen and Ann Sielaty will be sending out an E-mail within the next day or two, to set up a short, additional training session on this topic and to provide the list of the 5 additional sources and ordering information for each. It should be noted that a 6th firm indicated that although it has quick ship delivery, it does not currently have on-line ordering. However, it indicated that it will have such capability in the very near future. At such time, we will let you know when to add this firm to your list of sources.

Thanks to you all in advance, for your cooperation and compliance in this regard.
Sharon L. Murphy, CSPO signed.

THE FOLLOWING INFORMATION IS FROM THE VENDORS WEB SITES:

OFFICE DEPOT

<http://www.officedepot.com>

BOISE CASCADE OFFICE PRODUCTS

<http://www.BCOP.com>

BT OFFICE PRODUCTS INTERNATIONAL

<http://www.btopi.com>

CORPORATE EXPRESS

<http://www.corporateexpress.com>

INNOVATIVE SALES BROKERS INCORPORATED

<http://www.isbico.com>

JWOD

<http://www.jwod.gov>

FEDERAL PRISON INDUSTRIES (UNICOR)

<http://www.unicor.gov/catalog/quickship.html>